



state senator

Murray Clark

2005 LEGISLATIVE UPDATE

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The State Budget: Holding the Line on Spending

LEGISLATURE PASSES FIRST BALANCED BUDGET IN 10 YEARS

The Indiana General Assembly has passed a balanced two-year state budget that holds the line on spending, eliminates the structural deficit, adds no new state taxes, provides \$4 billion in property tax replacement credits and adds \$112.4 million to K-12 education.

Senate Republicans voted to control state spending while boosting funding for K-12 education, scholarships for higher education and child protection. Medicaid funding is held to a 5 percent increase. This is in contrast to the 10 percent growth experienced during the current biennium.

The passage of this budget is quite an accomplishment. To overcome a \$600 million structural deficit and end up with reserves – all without new state taxes – is no small feat.

Education funding remained a top priority by the Senate Republicans. The school funding formula provides that the money follow the child not the school corporations. Special factors, such as poverty, single parent families and free lunches, are taken into consideration when determining the level of funding that is to follow a child.

The General Assembly continually has increased education spending in past years, even when other states were cutting education. In 2003, Indiana had the highest increase of K-12 funding in the country –

during a national recession. The new budget gives more money with more funding options to Indiana public schools than has ever been given in the history of the state.

Additionally, the state is distributing to local governments \$4 billion in property tax replacement credits (PTRC), in an effort to provide relief to homeowners and other property taxpayers. Local governments and schools levy and keep 99.9 percent of all property taxes. Half of all revenue raised by the state sales tax is used for PTRC, as is 14 percent of the income tax and nearly a half billion dollars every year from the wagering tax.

Earlier in the session, Senate Republicans voted to pass a measure to reform the property tax system by giving local governments an option to shift the property tax burden to a local income tax in order to be more fair and equitable to Hoosiers. The initiative was successful in the Senate but failed to receive consideration in the House of Representatives, where the bill met substantial opposition from local government officials.

The new budget is a prescription for positive change in Indiana. It is the first balanced budget crafted by legislators in 10 years. I strongly support efforts to keep spending down while providing adequate funding for essential services.

Initiative Seeks To Improve Adoption Process

I authored a bill this session to improve the adoption process for Hoosier families, and I am happy to report the governor recently signed the measure into law.



Senate Enrolled Act 422 is designed to improve the adoption process. It addresses several issues raised by Indiana's Appellate and Supreme Courts with respect to the process of adoption. It establishes a repository within the state's adoption history program to preserve important post adoption records of adoption attorneys and adoption agencies.

The bill also clarifies the Indiana adoption code in order to further create certainty for adoptive parents that their adoption endeavors will have permanent and uncontestable results. The bill seeks to further prevent situations in which adoptions are contested by birth parents years after the adoption is completed and adoptive parents issued custody to the adopted child.

This is an issue that is very important to me, and I am proud of our legislators here in Indiana. We have worked hard over the past few years to improve our adoption code, and I'm pleased that we are now a model nationally. Well-structured adoption policies are critical to the well-being of Indiana's children.

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FACTS & FIGURES

FROM THE 2005 LEGISLATIVE SESSION

The First Regular Session of the 114th General Assembly began on Organization Day, November 16, 2004, and adjourned April 29, 2005.

This budget year was known as the "long" session.

Senate bills introduced: 647
Senate joint resolutions introduced: 10

Senate bills passed: 164
Senate joint resolutions passed: 1

House bills introduced: 859
House joint resolutions introduced: 18

House bills passed: 85
House joint resolutions passed: 1

Percent of introduced bills that were sent to the governor: 17%

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Photo: Sen. Clark reviews an amendment to a bill on the Senate floor before voting.

Fighting Meth

Methamphetamine production has become widespread in our state, and this year the legislature has proven its commitment to curbing this criminal activity.

In 2003, Indiana law enforcement seized 422 meth labs, a figure higher than any other Midwestern state, according to the Drug Enforcement Administration.

It is difficult to catch meth producers. All of the ingredients needed to manufacture meth can be purchased legally and are relatively inexpensive. For example, an investment of \$1,000 in easily purchased ingredients can produce \$20,000 worth of meth.

This year, we passed a bill to regulate the sale and purchase of meth precursors in the hope of reducing production in Indiana. Senate Enrolled Act 444 includes a variety of measures designed to stop the production of meth by placing restrictions on the sale and purchase of drugs containing ephedrine or pseudoephedrine, commonly found in over-the-counter cold and allergy medicines.

Retailers must store such drugs in a locked display case or behind a counter that requires employee assistance. Pharmacies may place the drugs directly in front of the pharmacy counter in the line of sight of a pharmacy employee and in an area under constant video monitoring.

Customers purchasing these drugs must present identification and record their identifying information in a log book provided and maintained by the retailer.

The bill bars retailers from selling the drugs to individuals under age 18 and allows no more than 3 grams of drugs containing ephedrine or pseudoephedrine in any one transaction. It also prevents customers from purchasing more than 3 grams of such drugs in a single week.

Meth production has become a significant problem in Indiana. We have no choice but to fight back with every available weapon.

Much Accomplished in 2005

A variety of issues didn't make big headlines, but they may make a big impact on Hoosiers.

Many feel daylight-saving time and the expansion of the Indianapolis convention center and new stadium dominated the 2005 legislative session, but the General Assembly passed many initiatives that will be beneficial to citizens across Indiana. We addressed issues such as election reform, National Guard benefits, child protection laws, agriculture, and improving health care services. The following are just a few examples of this year's accomplishments:

Elections — We worked hard this session to give voters confidence that our elections will be fair, open and honest. A bill passed that tightens restrictions on obtaining an absentee ballot. The bill does not make registering to vote more difficult; it simply creates new safeguards to protect the rights of honest absentee voters. We also passed legislation that will require voters to show a picture ID issued by the state or federal government (such as a driver's license or state ID card). Without proof of identification, it is easy for fraudulent voters to use different names at different times on Election Day. Considering recent nationwide voting problems, and some within Indiana, this is a common-sense step to help prevent fraud.

National Guard Benefits — Our National Guard members are serving overseas in Bosnia, Kosovo, Afghanistan, Iraq and several other countries. Because of the huge sacrifice these men and women are making on our behalf, we passed a measure that exempts spouses and children of Guard members killed in the line of duty from paying tuition at any state educational institution. This bill was authored to help support those dependents and spouses who endure financial difficulties after losing a loved one in active duty.

Child Protection — The General Assembly also passed legislation aimed at protecting Hoosier children. Two bills in par-

ticular will enhance the effectiveness of our sex offender and violent offender registry. The bills add the possession of child pornography to the 14 existing offenses and also allow neighborhood associations to receive the semi-annual updates of the list. We also created the Department of Child Services to handle child support, child protection, adoption and foster services. Our children are our most precious commodity, and should receive special attention from the state. This new department will focus only on children and their families.

Agriculture — Indiana is one of the nation's top agriculture states. This session, we created the Indiana Department of Agriculture and consolidated duties that were once scattered across numerous agencies. The move costs Indiana taxpayers no additional money. In fact, we hope it actually saves money by merging the 10 separate agriculture boards and commissions into one large department. We also passed legislation that will encourage the use of our soybean and corn crops in the production of alternative fuels.

Health Care — We passed a bill that creates a panel of experts to develop a medical information system for Indiana. A medical information system would connect physicians' offices, pharmacies, laboratories, imaging centers, hospitals and other medical facilities. If a person became ill in another part of the state, a physician with proper authorization could have immediate access to the person's medications, medical history and lab and X-ray reports. That patient then would receive better, more personalized care. The panel must create a plan that will maintain privacy.

This year's session was an eventful one, full of activity. Although the session's end has come, my job as your senator is never finished and I am available year-round to assist you.

SEA 12 — The "Code Adam" program sets a protocol for lost or missing children in certain state buildings. This initiative, on a smaller scale, is similar to the popular and successful "Amber Alert" program. **PASSED. My vote: YES**

HEA 1501 — This bill establishes the position of inspector general, an employee of the governor, who works to weed out corruption. Years of scandal in previous administrations cost the state at least \$25 million; we may never know the full extent of misspending. **PASSED. My vote: YES**

EXPANDING

Convention center growth and a new stadium could boost central Indiana's economy.

The ink is barely dry on the governor's signature, but details about a new Colts stadium and expanded Indiana Convention Center are in full swing. The centerpiece for a funding mechanism is a 1 percent food and beverage tax on Marion County and the seven "doughnut" counties. While some have voiced concerns about funding these projects with taxpayer dollars, I am certain that Indiana will be better off for it.

Leaders from Marion County and the doughnut counties have supported this funding plan. All of the money raised in Marion County (approximately \$17 million) will go toward the stadium and convention center projects. The amount the doughnut counties contribute to the projects, however, is capped at \$5 million, meaning those counties will get to keep at least half of the revenue raised.

The revenue generated from a food and beverage tax can be considered a major investment:

- Presently, Marion County benefits from a combined total of over \$165 million in sales just as the host of the Colts and NCAA headquarters.
- The convention center currently adds \$361 million in sales.
- In Marion County, the Colts contribute \$1.9 million in taxes to the Capital Improvement Board and another \$710,000 in income tax.
- A study conducted by PricewaterhouseCoopers in 2004 estimated that the convention center and stadium contribute over \$22 million dollars in sales, income and gasoline tax to the state.

A new NFL stadium also serves as a venue for many other activities that bring millions of dollars to the region. Last year, more than 1.3 million people visited the stadium for entertainment activities of all kinds including NCAA basketball. The proposed stadium helps keep the



LEFT: Sen. Murray Clark speaks on a Senate Resolution honoring Peyton Manning during the 2005 session. The General Assembly passed legislation to fund a new stadium for the Colts and a new convention center.

NCAA in the state until 2039. This important player contributes \$63.3 million annually and another \$85 million per five-year cycle for events related to March Madness.

The Indiana Convention Center has attracted several large conventions over the years, but is now starting to see some of these large conventions leaving due to lack of space. One of the conventions that has left, the Performance Racing Industry (PRI), brought \$26 million in direct spending every year. That is the equivalent spending amount of one Final Four weekend. While the Final Four comes to Indy once in a while, PRI conventioners were spending their dollars here every year.

According to the PricewaterhouseCoopers study, an expanded convention center could attract new business (18 to 23 major conventions and trade shows and four or five consumer shows per year) with an economic impact of an additional \$165 million annually. The study also suggests that the expansion could create 2,700 new jobs.

It may be easy to find reasons to ignore the need for a new stadium and larger convention center. One must remember, however, that none of Indiana's 92 counties is an island. Ask any area that has lost a major professional sports franchise: you don't know what you've got until it's gone.

Education Initiatives Successful in 2005 Session

This year, the state tackled several key issues to improve education:

• Current state law requires children to be five years old on July 1 of a school year to be eligible to attend **kindergarten**, making Hoosier children the oldest kindergartners in the country. This year, we moved the kindergarten enrollment date to include children who turn five years old no later than August 1, 2006. While state law does not require parents to enroll children who may not be ready for kindergarten, children who turn five during the summer months should be welcome in our schools.

• Another important initiative requires students, beginning in 2008-2009, to complete the **Core 40 curriculum** in order to graduate from high school. This program of study requires no additional credits but rather calls for fewer electives and more math, science and social studies classes to fulfill the 40 credit requirement for graduation. There are exceptions for some students whose parents object and for special education students. The bill also requires that parents be notified when a student is in danger of failing the Core 40 requirements and graduate qualifying exam. Institutions of higher education in Indiana will require applicants to complete

these Core 40 requirements for admission.

• **Charter schools** are state-funded public schools that operate free of many state regulations, but are accountable for their results in the same manner as traditional public schools, as well as by the terms of a charter. They provide new learning opportunities through innovative curriculums and environments. One bill passed this session eases funding restrictions for charter schools in order to give them at least a few of the same opportunities afforded to other public schools. We must continue to support these important partners in education.

SEA 76 — This law requires a health care provider to provide a pregnant woman with information regarding the availability of ultrasound imaging and auscultation of heart tones of a fetus before performing an abortion. **PASSED. My vote: YES**

SEA 15 — This bill requires that absentee voters receive a "voter's bill of rights" that will provide them with the information they need to properly cast their vote. It also establishes penalties for certain election fraud offenses. **PASSED. My vote: YES**

SEA 304 — The role of National Guard members deserves special recognition due to their increased responsibilities. This bill exempts spouses and children of National Guard members killed in state active duty from paying tuition at any state educational institution. **PASSED. My vote: YES**